

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NORTH DAKOTA

Case No. 24-30168
Chapter 11, Subchapter V

In Re:
Stark Energy, Inc.,
Debtor.

T R A N S C R I P T I O N

OF

A U D I O T A P E

341 Meeting

May 30, 2024

Transcribed by: Carolyn Taylor Pekas, RPR

1 (Beginning of recording.)

2 MS. WENCIL: All right. We are on the
3 record for the Section 341 meeting of the District of
4 North Dakota, Subchapter 11 case of Stark Energy,
5 Incorporated, Bankruptcy Case Number 24-30168.

6 This meeting is being held at May -- on
7 May 30, 2024, at 3:00 p.m., which was continued from
8 its original time of 2:00 p.m.

9 If this meeting is not concluded today, and
10 I don't believe it will be, the next hearing date
11 will be on June 19th at 1:30 p.m. to continue this
12 matter.

13 And this meeting is being held
14 telephonically.

15 A Chapter 11 petition was filed on April 23,
16 2024.

17 Representing the U.S. Trustee is its trial
18 attorney, Sarah J. Wencil.

19 And could the Subchapter 5 Trustee please
20 state your name?

21 MR. KAPUSTA: Tom Kapusta, Subchapter V
22 Trustee.

23 MS. WENCIL: Thank you.

24 And Debtor's counsel?

25 MR. AHLGREN: Erik Ahlgren on behalf of the

1 Debtor.

2 MS. WENCIL: Okay. And the Debtor's
3 representatives, starting with Mr. Fettig. Could you
4 state and spell your name?

5 ROBERT FETTIG: My name's Robert Fettig. So
6 it's Robert Gene Fettig. Spelling it, R-O-B-E-R-T,
7 space; middle name G-E-N-E, space; last name, F, as
8 in Frank, E-T-T-I-G.

9 MS. WENCIL: Thank you.

10 And, Mr. Fettig, are you the president of
11 the Debtor?

12 ROBERT FETTIG: Correct.

13 MS. WENCIL: And are you the sole owner of
14 the Debtor?

15 ROBERT FETTIG: Yes, ma'am.

16 MS. WENCIL: Okay. And was the comptroller
17 also here today?

18 ROBERT FETTIG: Is -- is what, ma'am?
19 Sorry.

20 MS. WENCIL: Oh, I'm -- are you testifying
21 here by yourself today?

22 ROBERT FETTIG: You're saying me? Ma'am,
23 you're talking to me. Correct?

24 MS. WENCIL: Yes. Are you going to be the
25 only party testifying here today?

1 ROBERT FETTIG: Yes. On behalf of Stark
2 Energy, yeah.

3 MS. WENCIL: Okay. Thank you.

4 And other parties wishing to make an
5 appearance here today that may have questions for the
6 Debtor?

7 MS. STANLEY: Caren Stanley on behalf of
8 Gate City Bank.

9 MR. KOSTELECKY: Bryan Kostelecky out of
10 Dickinson, North Dakota. I'm not sure at this point
11 yet.

12 MS. WENCIL: Sure. No problem.

13 Anyone else?

14 (No audible response.)

15 MS. WENCIL: Okay. Then, Mr. Fettig, could
16 you raise your right hand and acknowledge when you
17 have?

18 ROBERT FETTIG: Yes, ma'am.

19 MS. WENCIL: Do you swear to tell the truth,
20 the whole truth, and nothing but the truth?

21 ROBERT FETTIG: Yes, ma'am.

22 * * * * *

23 ROBERT G. FETTIG, having been first duly
24 sworn to tell the truth, the whole truth, and nothing
25 but the truth, was examined and testified under oath

1 as follows:

2 * * * * *

3 EXAMINATION

4 BY MS. WENCIL:

5 Q. And because this is on the phone and I can't
6 see you, I am asking the question: Are you under the
7 influence of any medication, substance, or any
8 disability that prevents you from testifying
9 truthfully today?

10 A. No. I've got, like, ADD, but no.

11 Q. Okay. And, Mr. Fettig, what's your
12 residential address?

13 A. 1860 Fourth Avenue East, Dickinson,
14 North Dakota 58601.

15 Q. And are you familiar with the schedules and
16 the statements filed in this case?

17 A. Yes, ma'am. I helped compile them.

18 Q. Okay. And are you aware you signed a
19 certificate swearing to the accuracy of the documents
20 under penalty of perjury?

21 A. Yep. I signed an affidavit as well, I
22 think.

23 Q. And to the best of your knowledge, are the
24 schedules and statements accurate?

25 A. Yes, ma'am, to the best of my knowledge.

1 Q. And do you have any knowledge of any false,
2 omitted, or misrepresented information on either the
3 schedules or the statements?

4 A. No. I don't have any knowledge currently.

5 Q. Okay. And if you do discover an error, just
6 immediately contact your counsel.

7 A. Yes, ma'am.

8 Q. Okay. And they need to be accurate as of
9 the date of filing, so if something changes, you
10 don't need to correct that.

11 And is the Debtor a North Dakota
12 S corporation?

13 A. Yes, ma'am. S corporation, North Dakota.

14 Q. Okay. And when was it organized?

15 A. April of 2017.

16 Q. And the address of record, 1860 Fourth
17 Avenue East, that's also your residence. Correct?

18 A. Correct.

19 Q. Okay. And then aside from your house, does
20 the Debtor have like a pole barn or an office
21 building? What's on that location?

22 A. Yeah, I have a shop. I have a shop. It's
23 on the schedule, yep. It's 4090 130th C South Avenue
24 Southwest or something like that. Sorry.

25 Q. And --

1 A. It's also North Dakota. It's on the
2 schedule.

3 Q. Okay. So is the business operated out of
4 the shop, then, at the 4090 130th Avenue?

5 A. Yes, the shop. Yes. Yep. It's also
6 operating -- I do some office work out of my house,
7 but yep. Yep.

8 Q. Okay. Any other locations that the Debtor
9 operates from?

10 A. Just out in the field, ma'am.

11 Q. Okay. And then other than the property the
12 Debtor has that's in transit for its clients, does it
13 store any property at any other location?

14 A. Sometimes trucks are parked on location or
15 at truck stops. I mean, we don't store them there
16 permanently, but they -- like, drivers sometimes
17 leave them there or, you know, they're parked there.

18 Q. And what is the Debtor's business?

19 A. An oil field service company that does oil
20 field service, as well as aggregate hauling outside
21 of the oil field. We do it for, like, road
22 construction projects or construction projects. And
23 we transport, in the oil and gas industry, water and,
24 like I said, aggregate, as well as we do hydro
25 excavating as well.

1 Q. Okay. And when you say "oil field service,"
2 do you mean doing the hauling for the oil fields?

3 A. (No audible response.)

4 Q. Or do you do --

5 A. Yes. Yes, we do that.

6 I'm sorry, ma'am. What?

7 Q. I'm sorry. For oil field service, is the
8 service the hauling?

9 A. Yeah. We -- we haul water to and from
10 drilling rigs, production tanks and such. And we
11 also haul aggregates, like building well sites.

12 But then outside of the oil field we haul
13 aggregate for road construction projects and, you
14 know, building projects; and then we do hydro
15 excavating in the oil field and outside of the oil
16 fields, like potholing, exposing lines for, you know,
17 I guess, utilities or spill cleanups in the oil field
18 or cleaning tanks.

19 Q. Okay. And then the -- the customers of the
20 Debtor, that would be the oil field operators?

21 A. That would be -- you mean names or -- I
22 mean, I don't understand.

23 Q. Right. What -- what type of customers do
24 you -- do you have several oil fields that you haul
25 for or work for or just -- do you have a major

1 client?

2 A. Yeah. I -- I work for many clients. I work
3 for Continental Resources, Lime Rock Resources,
4 Kraken Oil and Gas, Neptune, Knife River, CSI. A
5 multitude of customers.

6 Q. Okay. And does the Debtor bid on the
7 projects, or do they contact the Debtor?

8 A. They contact me, and we have opportunities
9 to bid jobs sometimes. There's jobs that are bid,
10 whether it's on a tonnage basis with aggregate or on
11 production hauling. It would be a per-barrel price
12 bidding.

13 Q. Okay. And presently --

14 A. We have master service -- sorry. Go ahead.

15 Q. Presently, how many customers does the
16 Debtor have?

17 A. In excess of 15.

18 Q. Okay. And those are all active jobs right
19 now?

20 A. Well, yes, but not -- not every job is every
21 day. Like yesterday I had a truck working, and today
22 it was rained out but we're supposed to start up
23 again, like the following day, like when the water
24 subsides.

25 Q. And how many employees does the Debtor

1 presently have?

2 A. Full-time and part-time, three to four.

3 Q. And those three to four, are they --

4 A. I have -- I have -- I have more potential
5 employees that -- I'm in the process of arguing and
6 trying to get my equipment back. I could have a lot
7 more revenue coming in if I could get my equipment
8 back.

9 Q. Okay. So the full-time and part-time
10 employees are -- there's three to four right now.
11 Does that include you?

12 A. Yes, ma'am.

13 Q. Okay. And those employees, aside from
14 yourself, what do they do? Are they all doing
15 projects, or are you --

16 A. They do -- the employees can help with
17 driving or they can help with filing paperwork and
18 doing invoicing or fixing the trucks in-house.

19 Q. Okay. And what was your salary in 2023?

20 A. I didn't take a -- a -- rather than salary
21 in 2023, I think I only took like 5,000-or-so dollars
22 out of the company based on the fact that I was
23 trying to keep the company afloat and I was chasing
24 work and trying to pay down debt. At points in times
25 I was paying creditors two times or two and a half

1 times multiple what I owed them monthly to try to get
2 back in good standing.

3 Q. Okay. And aside from that \$5,000, did you
4 take any other distributions from the Debtor?

5 A. No, ma'am.

6 Q. And since the bankruptcy case was filed, has
7 the Debtor remained current on its salaries to its
8 employees?

9 A. Yes.

10 Q. And does the Debtor provide any benefits to
11 its employees?

12 A. Not currently, no. We've always had plans
13 to implement it, but it's been -- never something
14 we've been able to do.

15 Q. Okay. Does the Debtor use any contract or
16 independent workers? Oh, in addition to employees?

17 A. We have in the past, in the year of 2019 and
18 other years. We're looking at that as an option to
19 work with people.

20 Q. And since the bankruptcy case was filed, has
21 the Debtor stayed current on all of its state, local,
22 and federal tax obligations?

23 A. I think I'm behind on some of that stuff,
24 ma'am.

25 Q. Okay.

1 A. I'm working on trying to get my books caught
2 up so I can file my taxes and get things caught up,
3 but to my knowledge, all payroll has been taken care
4 of, to my knowledge, but I know that I've been in the
5 process of trying to get things caught up with the
6 financial matters and get -- you know, get the
7 revenue in and pay it out accordingly.

8 Q. Okay. And which taxes do you believe you
9 are behind on?

10 A. I don't have an exact name or whatever. I
11 just think I'm behind on some tax filings.

12 My CPA firm out of -- in -- Mahoney Ulbrich
13 out of Minneapolis states that they will be able to
14 bring the -- the -- the stuff like -- like -- my
15 taxes current with the filings, but they need, you
16 know, payment for that, so I think the Court's got to
17 approve me working with a CPA to move forward with
18 them.

19 Q. That's correct. Yes.

20 Okay. And is it correct the Debtor has not
21 filed a tax return since 2020?

22 A. I believe so. I think the 2021 is almost
23 complete. But, again, I have to get the Court's
24 permission to pay them 1,400 bucks and, I think,
25 another \$3,000 to finish the tax filing for 2021, but

1 they've got it complete, I guess. Right?

2 Q. Okay. And you understand that you can't pay
3 them for any outstanding debt; you can only pay them
4 for the work they do going forward?

5 A. Yeah, I understand that. Yes, I know that.
6 That's why I have not paid them that amount, and that
7 I have to make a petition with the courts to pay
8 anything to anybody. Yes, ma'am.

9 Q. Okay. And since the bankruptcy filing date,
10 has the Debtor remained current on its other
11 payables, so your trade creditors?

12 A. I don't -- I mean, since the filing, yes. I
13 mean, I haven't really had any issues, no. I haven't
14 been able to, you know, pay, you know, the old debts,
15 right, but the new debts I've been able to pay, yes.

16 Q. And, in your opinion, what caused the Debtor
17 to file for Chapter 11 protection?

18 A. I think overleveraged due to the fact of
19 COVID. COVID initially started the process. In 2020
20 I lost close to \$800,000.

21 And then going on into new environments, the
22 aggregate hauling being not a hundred percent my
23 business, but a newer addition in the year 2019 and
24 2020, you know, to survive through the -- the
25 downturn of the COVID economic turn.

1 When I went to the bank and I tried to work
2 with them to restructure loans, they were unwilling
3 to do that. When I went to them to seek other
4 financing, alternative financing, to keep operating,
5 they were not willing to do that.

6 And a cold call to a merchant cash advance.
7 Merchant cash advance. And that type of financing is
8 what led to the -- you know, the -- the bad part of
9 the -- the company, you know, the financial problems
10 of the company. Merchant cash advances are highly,
11 like, predatory. They have high interest rates and
12 just not helpful, you know?

13 Q. Sure. And I'm going to ask some questions
14 on the Schedule A/B. For the bank accounts, does the
15 Debtor understand that while the case is pending, all
16 business must be conducted through your designated
17 debtor-in-possession account?

18 A. That's correct. I have an account, yep.

19 Q. Okay. And then --

20 A. A DIP account.

21 Q. And once you get your checks, just send a
22 voided check to our office.

23 A. Yeah. I will make sure to do that, yes,
24 ma'am. Send it to my lawyers, and they'll send it to
25 you.

1 Q. Okay. And then the accounts at Dacotah and
2 Western Cooperative, are those accounts still open?

3 A. No. Any bank accounts that were
4 pre-petition have been closed, and they were closed
5 on or just after the filing. Everything was ceased
6 as of the date of filing, and I canceled all
7 accounts. I closed them out.

8 Q. Okay. And then Number 18 of the Statement
9 of Financial Affairs also states the Debtor closed an
10 account -- one account at Dacotah and one account at
11 Gate City in the past year, and do you have that
12 balance sheet that was filed with the Court before
13 you today?

14 A. (No audible response.)

15 Q. It was filed at Doc- --

16 A. Do I have it?

17 Q. Yeah. Do you have that in front of you
18 today if I have some questions about that document?

19 A. No, I don't have that in front of me right
20 now, ma'am. I don't. Sorry.

21 Q. Okay. Well, I have some questions, and
22 I'll -- we'll just come back to that on -- when we
23 come back on June 19th --

24 A. On the 19th. Correct?

25 Q. Yeah. Yeah. Just bring that document that

1 was filed at Document 15.

2 A. Document 15. Writing it down. Thank you.

3 Q. Sure. And Number 11 states that the Debtor
4 has zero accounts receivable right now. Is that
5 accurate?

6 A. As of date of -- as of the date of filing, I
7 had zero accounts receivable, but I have now accounts
8 receivable because I've been working since that date.

9 Q. Okay. And what are the accounts receivable
10 today, would you estimate?

11 A. 13 to 15 grand, roughly, give or take. I've
12 had a lot of time away from work, and I've been
13 focusing on getting schedules corrected, but now I'm
14 focusing on work. I'm actually trying to get my
15 equipment back so I can increase my cash flow
16 exponentially. I've been turning down 50- to 60- to
17 \$70,000 worth of work because I don't have my
18 equipment.

19 Q. Okay. At Number 47 on the schedules you
20 list all of the vehicles, the trucks. How did you
21 value --

22 A. Correct.

23 Q. -- those vehicles on the schedules? What
24 did you use to come up with the values?

25 A. I reached determination on values because I

1 was told I had to figure out if you guys were going
2 to take this stuff to an auction and what it would
3 sell for.

4 Q. Okay. Did you have an appraisal of these?
5 And I'm not just talking about the banks --

6 A. No.

7 Q. -- I'm talking about the entire list under
8 Number 47.

9 A. No. I -- I did not have an appraisal done.
10 No, ma'am.

11 Q. Okay. When you came up with the numbers of
12 what the value was, for example, the first one says
13 the 2017 Volvos were (indiscernible) \$10,000, how did
14 you come up with that figure?

15 A. If you looked on the Internet with Ritchie
16 Brothers auctions and/or the recent sales and/or
17 comparables, like when the -- at one point in time
18 when I got a business loan for equipment, I had to go
19 online and look at the -- they wanted to -- the
20 auction quick sale pricing, so I had to figure out
21 what things were selling in that similar condition,
22 so I made phone calls and inquiries to people that
23 own and run other auction houses.

24 Q. Okay. And Number 47.4 states that a 2014
25 Kenworth T800 is missing, and what does that mean,

1 that it's missing?

2 A. On the -- the date of 3/15, what I think is
3 3/15, March 15th, the date in question that I guess
4 some equipment was found, I went to my shop, and I
5 was going there for a part, and I was going back to
6 the field, and I noticed that a truck was missing, so
7 I reported it stolen.

8 And I've been in the process of calling,
9 inquiring, driving around town and looking for this
10 item because the police department's not willing to
11 help find it.

12 Q. Okay. But you did file a police report?

13 MR. AHLGREN: And for what it's -- for what
14 it's worth, it's March 24th that you filed for
15 bankruptcy, not March 15th.

16 ROBERT FETTIG: I filed bankruptcy in
17 April 23rd of '24.

18 MR. AHLGREN: Oh, April 23rd. Oh, gotcha.
19 Oh, you're --

20 ROBERT FETTIG: Sorry.

21 MR. AHLGREN: -- referring to something
22 else.

23 A. On March -- on March -- on March 15th of
24 2024 is the date, I think, the 15th and the 16th,
25 thereabouts, I reported it stolen. Somewhere in

1 thereabouts. I called the sheriff's department,
2 asked them if they took it. They said no. I asked
3 them if I could report it stolen, because I was told
4 by judges I need to report it stolen.

5 Q. (BY MS. WENCIL) Okay. Did you make a claim
6 with the insurance company?

7 A. No, ma'am.

8 Q. Okay. And who insures that 2014 Kenworth
9 T800?

10 A. It would have been insured at the time
11 underneath the -- the insurance I have with
12 Progressive, possibly. I don't know. I think it's
13 called price Progressive. It's got the auto policy.

14 Q. Okay. And why have you not made an
15 insurance claim for that property?

16 A. Because I think a -- a dubious creditor took
17 it. I don't think it was actually stolen. I think
18 someone just took it.

19 Q. Okay. And what --

20 A. I think someone took it that thinks I owe
21 them money.

22 Q. Who do you think took it?

23 A. I don't have an exact answer for that, but
24 I've got a sneaky feeling. My stomach's hurting.
25 You know, I have a churning motion that I think

1 someone took it because -- you know, I just --
2 I just -- I think someone took it. I really do. I
3 don't think it's -- I've never had items stolen from
4 my shop except for during this proceeding of
5 creditors coming after me, and I'm finding out during
6 this meeting of creditors and/or court hearings and
7 everything else that other people that I owed money
8 to have taken items from me.

9 Q. Okay. Now if this was a truck, doesn't it
10 have keys?

11 A. Yes. The keys are locked up in -- inside
12 the shop, though, ma'am.

13 Q. Okay. Was there a break-in to the shop,
14 then?

15 A. No. There's no break-in to the shop, and I
16 was really frustrated, and I'm still frustrated. I
17 have surveillance cameras at my shop, but they only
18 record for one week, and they overlapped already.

19 And I'm in the process of trying to get my
20 Internet up and running correctly so I can have
21 mobile access and/or a cloud -- you know, cloud --
22 cloud backup to, like, you know, the camera system.

23 Q. Okay. And was there a creditor threatening
24 to take that piece?

25 A. I've had numerous phone calls from these

1 MCA, merchant cash, people and/or other creditors,
2 and I've had people say: Hey, you owe me money. I'm
3 worried about you paying me money. But I don't have
4 anybody saying that -- there was no lien on that
5 truck. The truck is free and clear.

6 Q. Okay.

7 A. It's free and clear.

8 Q. But you say you think someone took it, but
9 you're not giving us any information of who you think
10 it is. I mean, you do have to tell us who you think
11 took it.

12 A. Yeah. I -- I just -- I have a feeling that
13 someone took it, ma'am. I don't have an idea of who
14 took it yet. That's why I've been driving around the
15 Bakken and going to truck stops and driving up to
16 people in the truck stops and asking them to look at
17 their VIN numbers.

18 I've been looking for it like a repo person
19 because I think someone took it, a previous employee
20 that was owed money or a previous person that, you
21 know, I owed money to, maybe, that had done towing,
22 or somebody -- because I recently had a rig, a
23 drilling rig, taken from my shop, and I'm in the
24 process of getting that back with Erik Ahlgren, who
25 is on the phone with us right now, because that rig

1 is supposed to come back to my shop because they
2 repossessed a trailer and took a rig illegally, and
3 they were going to hold on to it, and then when my
4 lawyer, Mr. Erik, got involved -- because I found
5 out, through making phone calls and finding out who
6 was on my property that day, I was able to find out.
7 I found out before the Stark County Sheriff found
8 out.

9 I instructed my attorney to talk with that
10 individual, and that individual has now agreed to
11 return my drilling rig that's on the schedule as
12 well, 2012 drilling rig.

13 Q. Okay. Well, why don't you send our office a
14 copy of the police report that you filed.

15 A. Yeah, I -- I'll give it to Erik. Yes,
16 ma'am. I'll give it to him right away. I'll call
17 the police department and get it for you guys.

18 Q. Okay. And then the same question for the
19 2007 International that's also listed as missing at
20 Number 47.5.

21 A. It's -- it's -- it's -- go ahead.

22 Q. Now, that says missing, too. Is that the
23 same circumstances, or just different circumstances?
24 How did that one go missing?

25 A. I -- I feel similar, again, that someone

1 took it off my property at a point in time I don't
2 know, because I was out chasing work and working and,
3 you know, trying to generate revenue.

4 I was in the truck training somebody, maybe,
5 or I was not able to -- you know, somebody said they
6 parked it back at the shop, and it wasn't there. At
7 what point in time did that go missing? I don't
8 know. But, again, that went missing around the same
9 period, anywhere from the last three to six months.
10 But I'm in the process of looking for that, the same
11 way I've been looking for everything that people say
12 is missing, and I actually keep looking for these
13 items because I want to go to work, and I need my
14 items to go to work.

15 Q. Okay. And then you said somebody said they
16 left it on the property. Who was that person?

17 A. When I had employees, they would say: Hey,
18 I left this truck at this truck stop or I parked it
19 here or I parked it there. When I had past
20 employees. And sometimes employees have given me
21 misinformation. I don't recall an exact time for
22 that truck being placed on my property, but I know
23 for a fact it was on my property and then it was
24 gone.

25 Q. Okay. And when would you last see it on the

1 property?

2 A. Anywhere within the last three to six
3 months, ma'am.

4 Q. Okay. When did you last see it on the
5 property, though?

6 A. I would say within the last -- again, I'm
7 dealing with trying to find my equipment that's still
8 missing, that 2014, and I'm looking for that truck as
9 well, so I have a lot on my mind.

10 But to be honest with you, I don't recall an
11 exact time period when it was on my property. I was
12 only surmised it was on my property within the last
13 six months. It was not on the property last month.
14 It's been missing for about four to six months. I've
15 been looking for it.

16 Q. Okay. Now, you said an employee told you
17 that they had left it on the property. Who was that
18 employee?

19 A. I said employees left items on my property.
20 They would -- as an example -- here's an example.
21 You have a gentleman on the phone right now. His
22 name is Dylan Boykin. Right? Dylan Boykin. That
23 gentleman was in Minnesota driving a truck, and he
24 said he was going to drive back to the shop and just
25 park my truck. I didn't know that until I saw a

1 voicemail. That was a Volvo, though. That was
2 nothing to do with the 2007 International.

3 So who and what and when, I don't have an
4 exact answer for when that truck was put on my
5 property, but it was on my property, and at a point
6 in time, it left my property, and I believe it left
7 my property within the last seven months or so.

8 I've been dealing with creditors, like I
9 said, taking my -- my one R- -- RGN trailer from my
10 property with my drilling rig on it. That happened
11 around January.

12 I dealt with other times and places when
13 equipment was left on my property, and all of a
14 sudden it was gone.

15 Q. Did you file a police report for this piece
16 of property?

17 A. No. I didn't file a police report for the
18 2007 International.

19 Q. Why not?

20 A. Because I can't -- because I can't recall
21 the exact date and time that I can misplace it. I
22 can recall the exact date and time that I noticed my
23 2014 Kenworth coming and going. And I'm not trying
24 to make false statements to anybody. So I don't know
25 if a -- an employee took it or -- thinking they're

1 owed money or a creditor took it thinking they're
2 owed money or anything. So I can't speak to any
3 exact fact, and I'm not going to get in trouble. I'm
4 already getting, you know, backed into a corner.

5 Q. Okay. And it's a missing asset. Did you
6 make an insurance claim?

7 A. It's free and clear. I did not, ma'am.

8 Q. Well, it has value, though.

9 A. Yes, and I'm still trying to find it, and I
10 think I can find it. I'm not like -- I'm a very
11 active person. I'm out working and looking for these
12 items.

13 Q. And what -- okay. So you haven't done a
14 police report and you haven't done an insurance claim
15 on that one?

16 A. No, ma'am.

17 Q. Okay. And then the other one that's
18 reported as missing is the 2014 --

19 A. I can't hear you. There's a lot of noise,
20 background. Sorry.

21 MS. WENCIL: If somebody is not on mute,
22 please mute their phone.

23 Q. (BY MS. WENCIL) And under Number 47.15
24 there's a 2014 Dragon 200 BBL that's reported as
25 missing, and how did this one go missing?

1 A. It is -- I don't know how it went missing,
2 ma'am. I think a creditor that was owed money
3 took it off my property at some point in time. I
4 don't know exactly what time, but I've been looking
5 for it as well. I've been looking out in oil field
6 locations, thinking somebody's using it or thinking
7 it's parked somewhere, and I'm going to find it
8 because I'm a very diligent person. I'm trying to do
9 my best.

10 Q. When was the last time you saw that?

11 A. I -- I -- I don't have a recall on the exact
12 answer of when I -- I saw that last, ma'am. Again,
13 there was a lot of chaos in the -- in leading up to
14 me filing this bankruptcy with creditors coming and
15 going and calling me and coming on my property,
16 without the right proper reason, to take my
17 equipment, and at some point in time it was, I guess,
18 taken. I don't know.

19 Q. Well, how long ago was the last time you
20 noticed it?

21 A. I -- I -- I don't recall at this time,
22 ma'am. I -- I just -- I -- I don't understand even
23 the reasoning for it. I just -- I don't know where
24 it's at. I'm looking for it. I've declared it
25 missing.

1 Q. Did you file a --

2 A. I don't recall.

3 Q. Did you file a police report?

4 A. No, ma'am, because I'm not going to file a
5 police -- no, I did not.

6 Q. Okay. Did you make a claim for insurance?

7 A. No, ma'am, I did not.

8 Q. Okay. And then going back up that list, the
9 2018 Great Dane trailer, was that the one that was
10 taken by Alliance?

11 A. No. There's a 2015 Trail King that was
12 taken by Alliance. 2015 Trail King.

13 Q. Okay. So do you still have possession of
14 that 2018 Great Dane trailer?

15 A. Yes.

16 Q. Okay. Is that secured by a party other than
17 the Brigit credit agreements and the SBA?

18 A. I -- I -- I know I have two reefer trailers,
19 ma'am, but one of the reefer trailers is -- I --
20 I might have a security interest, but the other
21 reefer trailer is free and clear. To what -- to what
22 exact VIN number you're speaking to, exact item, I
23 don't have it in front of me. I'm sorry. I will
24 write it down. This VIN number or 2018 or whatever
25 schedules, I will bring this with me on the 19th.

1 I'm sorry, but I just --

2 Q. Okay. It's the 2018 Great Dane trailer
3 listed at 47.6. It's the VIN number ending 152.

4 A. 152?

5 Q. Yeah. Just determine, do you have that one
6 or not, and --

7 A. Yeah. Yeah. I have a Great Dane trailer,
8 yes.

9 Q. Okay. You think you have this one, then?

10 A. What is that?

11 Q. You believe you have possession of this
12 trailer? A creditor didn't --

13 A. I guarantee I have possession of it, yes.

14 Q. Okay.

15 A. I have possession of it, yes. Creditors do
16 not.

17 Q. Okay. That's kind of what I want to know.

18 And then there are assets listed at Number
19 47.7, 47.8, and 47.9. I noticed they were not listed
20 on the balance sheet that was filed at Document 15,
21 which was from the end of December. Are those new
22 assets? It's a 2014 Trail King.

23 A. At the end of December? It's a 2014 what?

24 Q. Trail King. Did you purchase that in the
25 last six months?

1 A. (Indiscernible.) I did not purchase
2 anything in the last six months.

3 Q. Okay. So they're just missing from that
4 balance sheet. Okay.

5 Okay. And then there were three vehicles on
6 the balance sheet that was filed at Docket 15 which
7 weren't on Schedule B, and I just wondered if you
8 still have those assets. One was a 2012 Chevy 3500.

9 A. No, I don't have that. I do not have that.
10 That truck's not been in my -- I -- no, I don't have
11 it.

12 Q. Okay. Did you once -- did the Debtor once
13 own it, or --

14 A. Not to my knowledge. I'm pretty sure that's
15 free and clear. Maybe initially. Maybe initially,
16 but that truck's been free and clear for sometime.

17 Q. Okay. Whose name is the truck titled in?

18 UNIDENTIFIED SPEAKER: (Indiscernible.)

19 ROBERT FETTIG: I don't --

20 (Indiscernible speakers.)

21 A. You're saying 2012, ma'am?

22 Q. (BY MS. WENCIL) 2012 Chevy 3500.

23 A. That truck was purchased, I believe, in 2017
24 or 2018, and that truck was in the -- in an accident,
25 and it had been totaled out and was part of an

1 insurance claim, so I think someone bought it back
2 from the insurance, but that truck has never been in
3 use at my company for many years.

4 Q. Okay. It's long gone, then? It just showed
5 up on that --

6 A. Yes, ma'am.

7 Q. Okay. It just showed up on the balance
8 sheet.

9 So there's also a 2013 Ford F-150 with a VIN
10 ending 634.

11 A. I -- okay. I -- I don't really -- I
12 don't --

13 Q. Do you recall -- and a 2015 Ford F-150, VIN
14 ending 354?

15 A. I -- I don't recall. Maybe you can send
16 them to me. Can you send me emails or something,
17 maybe? Sorry.

18 Q. Sure. You can just check on that. It was
19 on that balance sheet for the next meeting that we
20 have.

21 To the best --

22 A. Yeah.

23 Q. -- of your knowledge, does the Debtor have
24 possession of either of those Ford F-150s that I just
25 mentioned?

1 A. I'll have to look and -- and check. I'd
2 have to look at my shop, I mean, to be honest with
3 you.

4 Q. Okay. And then in Gate City's motion for
5 relief, they state that 18 pieces of equipment were
6 recovered at Yuker Towing & Repair. Do you know how
7 that equipment got there?

8 A. Ma'am, at the advice of my counsel, I have
9 an ongoing criminal matter, and I choose to plead the
10 Fifth. I mean, I'm not looking to -- I'm just going
11 to plead the Fifth at the advice of my counsel.

12 Q. Okay. And then my -- it's totally within
13 your rights.

14 So do you know why Yuker had the equipment?

15 A. Hold on one second, ma'am.

16 Again, ma'am, I -- I choose to -- at the
17 advice of my counsel, I choose to plead the Fifth.

18 Q. Okay. Did you have knowledge that the
19 equipment was located at the Yuker Towing & Repair
20 prior to the issuance of that search warrant?

21 A. Again, at the advice of my counsel, I choose
22 to plead the Fifth on that question.

23 Q. Okay. And then under Number 48, we're going
24 to talk about -- I guess it's trailers. How did you
25 value those trailers? This is the same as the

1 question I asked under Number 47.

2 A. Any valuations are derived from the fact of
3 talking to people that do auctions or -- or current
4 price valuations. That's the only way I was able to
5 come up with price valuations.

6 Q. Okay. And then Number 48.4 states that a
7 2014 -- is it -- or -- I'm sorry. A -- it says a
8 2007 Retinauer trailer is missing, with a VIN number
9 ending 280. How did this piece of equipment go
10 missing?

11 A. I don't know. I can only think that someone
12 took it because, I mean, how else would they have it,
13 you know? It's missing. I don't understand.

14 Q. Okay. When did you last notice it was
15 missing?

16 A. Again, I don't recall when any of the items
17 went missing except for the fact that when the Judge
18 and the people now are telling me to pay clear
19 attention. On March 15th a 2014 Kenworth was taken
20 from my shop. I know that for a fact. That's the
21 only date that I can recall. Recalling the date of
22 when any other item went missing, I cannot recall
23 that.

24 Q. Okay. Did you file a police report for the
25 Debtor?

1 A. No, ma'am. No. There's only one police
2 report that's ever been filed and that's for the 2014
3 Kenworth.

4 Q. Okay. And did you file an insurance claim
5 for the trailer?

6 A. No. I did not file an insurance claim for
7 any missing items.

8 Q. Okay. And then you referenced this drill
9 before. I'm looking at Number 15, the 2012 CZM long
10 mast drill mounted.

11 A. Uh-huh.

12 Q. And it -- did you get -- did you say you
13 have possession of this drill back?

14 A. I'm in the process of getting possession of
15 it back. I was recently made aware of its
16 whereabouts, and I pursued that, so yeah.

17 Q. Okay. And what -- your schedules state that
18 Regent Bank had the lien. Is that correct?

19 A. Correct.

20 Q. And when --

21 A. And Regent Bank actually state -- ma'am,
22 Regent Bank actually stated that they wanted nothing
23 to do with that rig when the -- the tow yard that I
24 found it at, you know, so I -- I'm fighting harder
25 for this stuff than the creditors are at this point.

1 Q. Okay. And when did Regent Bank repossess
2 the drill bit?

3 A. They never repossessed it.

4 Q. Oh.

5 A. It's not in their possession.

6 Q. Okay.

7 A. It was taken illegally from my shop when
8 Alliance Funding tried to repossess a trailer, and
9 they tried to use it as a bargaining chip or just to
10 hold it to -- to be rude and disrespectful as to
11 so-called creditors that they there.

12 Q. Okay. So Alliance Bank took the drill bit?

13 A. A towing company --

14 MR. AHLGREN: It was iSpy (indiscernible).

15 (Simultaneous, indiscernible crosstalk.)

16 ROBERT FETTIG: Go ahead, Erik, please.

17 MR. AHLGREN: iSpy Asset Recovery -- yeah,
18 iSpy Asset Recovery, who was a contractor on behalf
19 of Alliance Funding, took the drill rig. I believe
20 that we will be getting it back. I drafted up a
21 Complaint, I sent it to them, and I think that has
22 convinced them that they need to give it back.

23 Q. (BY MS. WENCIL) Okay. In the balance sheet
24 that was filed at Docket 15, it valued it at \$406,000
25 at the end of 2023. Given that value at the end of

1 2023, how did you come up with the \$85,000 value on
2 Schedule B?

3 A. Hold on. At -- at the end of what, ma'am?

4 Q. Your balance sheet that was filed, that you
5 filed, at -- at Docket Number 15 with the Bankruptcy
6 Court, it was dated --

7 A. Okay.

8 Q. -- the balance sheet as of December of 2023.
9 It -- it listed the value at \$406,000.

10 A. I think that's -- okay. So my books -- my
11 QuickBooks and everything is kind of like in disarray
12 because I hired people that said they went to
13 accounting school, and they didn't do a good job --
14 back to me trying to apply with the courts to get
15 that financial firm to get involved. But I valued
16 it, again, at the \$85,000 for a quick sale price
17 because I've called around, and that's the price that
18 I came up with. I called other drilling companies
19 and people, and I called auction houses, and that's
20 where I came with that valuation.

21 The balance sheet is probably just a -- a --
22 a (indiscernible) where people put in sheets, like,
23 in the wrong area, or someone took some payment
24 history or something and put that in there.

25 But I apologize for the discrepancy. I'm

1 trying to work to get my books in order and get my --
2 my taxes caught up and everything else.

3 Q. Okay. And then who prepared that balance
4 sheet? Do you know?

5 A. That, I -- that exact balance sheet, I don't
6 know. I know that my CPA firm briefly looked over
7 everything and said who did I have hired to do some
8 of this stuff. Oh, my God, your books are a mess.
9 We need to get involved as soon as possible. And the
10 CPA lady is trying to work with Mr. Erik to get
11 approved through the courts to be my CPA people to
12 help get my stuff caught up.

13 Q. Okay. And then also under this Number 15,
14 there's these three frac tanks. Those are listed as
15 missing, too.

16 A. Yeah.

17 Q. How did those go missing?

18 A. There's one missing. There's one missing,
19 ma'am. I know the location of two of the other
20 tanks, but the -- the one that's missing, it's
21 missing because it was left on a well site and
22 another company or trucking company or somebody just
23 grabbed it by mistake, I can only assume.

24 I have looked for it. I've not been able to
25 locate it. It's one frac tank. It's -- it's -- it's

1 been a focus of -- when I go look for things, I look
2 for that as well as other things, but that's been
3 missing for -- I don't know. 20- -- the early part
4 of 2023 I started looking for it again. It's been
5 missing since 2022, I think.

6 Q. Okay. And the other two, where are they
7 located at?

8 A. They're located -- they're rented out on a
9 location, to my knowledge. I -- I -- I -- I made
10 a -- I made a deal to rent them out so that I could
11 clean them (indiscernible) hydrovac, so I -- I -- I
12 talked to someone and said: Hey, can you rent these
13 out so I can clean them and get that business? And
14 they agreed, so -- I believe they're in Dunn Center.

15 Q. Okay. And how did you value them at
16 \$15,000? Or is that apiece or for all three, first
17 of all?

18 A. That's -- that's going to be all three, and
19 that's a low valuation, or that's going to be a high
20 valuation at -- two of them at 8,500, you know.
21 There's a -- there's a give-and-take, you know.
22 People are willing to pay what they're willing to
23 pay. The Internet, you can see them listed for 11-
24 or 12,000 all day long, but for someone to actually
25 come off their pocket and really click, oh, I'll buy

1 them today, they're going to pay anywhere from 5,000
2 to 8,500. So it can be anything from -- again, it
3 can be the two of them at 8,500 or all three of them
4 at 15,000 at the extreme low side.

5 Q. Okay. And your real estate that you listed
6 at 55.1, how did you value that at \$202,000?

7 A. That's just a tax valuation, the -- the tax
8 people, I think. That's what the lawyer guy pulled
9 off the tax thing, or my mom did.

10 I mean, you have to be able to -- willing to
11 buy it. There's a shop that's been up the road for
12 sale for three and a half years and it's never been
13 sold, so, I mean...

14 Q. Okay. Is the Debtor current on its real
15 estate taxes for that property?

16 A. I think I'm behind a little bit. Actually,
17 bringing that up, I actually brought that shop
18 current, and I brought that shop current with Gate
19 City, and I brought that shop current underneath the
20 guise of the permission of that lady that's on the
21 phone there, Ms. Caren Stanley, and she said that she
22 wasn't going to foreclose on the shop, and I -- I --
23 I brought that current, and then the bank refused to
24 take payment on that. They won't let me make my
25 payments on my shop.

1 Q. Okay. Did you pay the year taxes directly,
2 then, to the County?

3 A. I -- I can go to the County and get the
4 amount. I can start working on paying that and
5 getting that current. I've got no problem with that,
6 ma'am. I'd like to keep my shop, I'd like to keep
7 all my equipment, but again, creditors are being
8 dubious and deceitful.

9 Q. Okay. And when was the shop purchased?

10 A. The shop was purchased in -- trying to think
11 really hard here, ma'am. We're going over seven
12 years. Right? I believe in the end of 2019, give or
13 take, maybe the beginning of 2019, somewhere in
14 there.

15 Q. Okay. And under Number 70, you checked that
16 the Debtor -- you checked that the Debtor owns assets
17 that are not reported, but then it didn't -- you
18 didn't list any. Are there other assets that are not
19 reported?

20 A. I -- I don't know what check mark you're
21 talking about, but I -- all the assets have been
22 listed. I went through the schedule that was updated
23 on the 20 -- on the 17th, May 17th. I went over that
24 with my lawyer, his law firm, and they updated it to
25 make sure that they were updated currently.

1 Q. Okay. We can check that one, maybe, by the
2 next hearing, if that was just an error.

3 But I do have a question on one thing. The
4 2020 tax return lists that the Debtor owns a business
5 called Fettig Enterprise, and that's not listed.

6 A. No. Fettig -- Robert Fettig owns that.
7 Stark Energy doesn't own that.

8 Q. Okay. And why did the tax return list that?
9 Did the Debtor --

10 A. Huh?

11 Q. -- used to own it?

12 A. What did you say, ma'am?

13 Q. Did the Debtor used to own Fettig
14 Enterprise?

15 A. Not -- no. I've never done that. It's a
16 wholly owned company by me --

17 Q. Okay.

18 A. -- Robert Fettig. I have the bill of sale
19 and everything.

20 Q. Do you recall why it was listed as the
21 Debtor owning it on the 2020 tax return?

22 A. I don't know. I think that there was some
23 errors on the 2020 tax return. That's why, again, my
24 CPA firm was getting involved and saying: Listen.
25 You're not suited to hire these people that say they

1 go to accounting school to help you with this stuff.
2 Let's work with -- you're saying 2020. Right? So I
3 don't think the 2020 tax return -- or the 2021 tax
4 return -- sorry. I'm misspeaking. But to my
5 knowledge, 100 percent Fettig Enterprise is its own
6 company. It has nothing to do with Stark Energy.

7 MS. WENCIL: Okay. Well, I've just gotten
8 through Schedule B, and that was probably the longest
9 group of my questions, but I think we're out of time
10 today, so I'm just going to continue the meeting
11 today, and then we'll reconvene on the -- June 19th
12 at 1:30. Okay.

13 MR. AHLGREN: Okay.

14 UNIDENTIFIED SPEAKER: Okay.

15 MS. WENCIL: All right. Well, thank you.
16 We'll talk to you on June 19th.

17 MR. AHLGREN: Thank you. Yeah.

18 (End of tape.)
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That I am not financially interested in the action and have no contract with the parties, attorneys, or persons with an interest in the action that would affect my impartiality.

/s/ Carolyn Taylor Pekas
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Dated this 12th day of June, 2024.